



Statements & Letters of Support for
The American Health Care Act

From

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IFA APPLAUDS STEPS TAKEN TO FIX AMERICA'S HEALTH CARE SYSTEM

WASHINGTON, March 9—International Franchise Association Senior Vice President of Government Relations and Public Affairs Matt Haller released the statement below applauding the recent work from the administration and Congress on improving our health care system:

"We are encouraged by the steps taken to advocate for health care reform that will address cost containment and flexibility for consumers and employers. Restoring health care choices by expanding Health Savings Accounts, allowing small business to pool together resources and purchase insurance across state lines and eliminating the employer mandate penalties will lay the ground work for a 21st century, market-based, system. The American Health Care Act is a step in the right direction, and IFA will continue to work with lawmakers to ensure additional relief with respect to the employer mandate and the employer reporting requirements is provided for small businesses and their employees."

IFA has worked diligently to educate lawmakers that certain provisions under the Affordable Care Act were unworkable for franchise owners who work across various industries, including restaurants, retail, lodging and service-related businesses.

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About the International Franchise Association

Celebrating 56 years of excellence, education and advocacy, the International Franchise Association is the world's oldest and largest organization representing franchising worldwide. IFA works through its government relations and public policy, media relations and educational programs to protect, enhance and promote franchising and the more than 733,000 franchise establishments that support nearly 7.6 million direct jobs, \$674.3 billion of economic output for the U.S. economy and 2.5 percent of the Gross Domestic Product (GDP). IFA members include franchise companies in over 300 different business format categories, individual franchisees and companies that support the industry in marketing, law, technology and business development.

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March 7, 2017

The Honorable Paul Ryan, Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

The National Association of Wholesaler-Distributors (NAW) is pleased to support the package of legislative recommendations to be included in a Fiscal 2017 reconciliation bill, unveiled on March 6, 2017 by House Republicans.

NAW is the “national voice of wholesale distribution,” an association comprised of employers of all sizes, and national, regional, state and local line-of-trade associations spanning the \$5.6 trillion wholesale distribution industry that employs more than 5.9 million workers in the United States. Approximately 40,000 enterprises with places of businesses in all 50 states and the District of Columbia are affiliated with NAW.

NAW believes that our nation’s health care system is overly burdened by government mandates and taxes and that movement toward a more market-oriented, patient-centered system is the surest path toward higher quality, lower cost and enhanced access. This package represents real progress in this regard, strengthening our private, voluntary employment-based health benefits system which currently provides coverage to approximately 177 million Americans.

Clearly, the employment-based system serves the interest of working Americans and their employers. Innovation in private sector health plan design plays a major role in controlling cost as employers seek to manage the impact of health spending (that continues to escalate more rapidly than inflation) on their bottom lines and, at the same time, provide their employees with high quality coverage and access to medical care.

In particular, NAW members are pleased that the reconciliation recommendations include:

- Repeal of the employer mandate penalties
- Repeal of the annual fee on health insurers (the “health insurance tax” or HIT)
- Repeal of the medical device tax
- Liberalized treatment of health savings accounts (HSA) and flexible spending accounts (FSA)

NAW members also support the recommended delay until 2025 in the implementation of the 40% excise tax on high-cost employer-sponsored coverage (the “Cadillac Tax”). Our membership prefers the full and permanent repeal of the Cadillac Tax, and we look forward to working with you and your colleagues toward that end as the legislative process unfolds.

-more-

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

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Critically, these reconciliation recommendations wisely avoid any limitation on the tax exclusion for employer-sponsored health benefits. A recent survey of NAW-affiliated wholesaler-distributors revealed that over 90% offer some form of employer-subsidized health benefits to their employees and that nearly 3 in 5 of those employers would cut back on or eliminate their health benefits offerings were "Federal legislation diminishing current law tax treatment of employer-sponsored coverage/insurance to be enacted."

Mr. Speaker, NAW urges the enactment of this package of FY '17 reconciliation recommendations. Thank you for your leadership and for your consideration of NAW's views.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Anderson, Jr.", with a stylized flourish at the end.

James A. Anderson, Jr.
Vice President-Government Relations

cc: Members of the U.S. House of Representatives



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[PERMALINK](#)

Retailers Support House Plan to Repeal ObamaCare *Bills Do Not Include Tax on Employer-Provided Health Benefits*

WASHINGTON, March 7, 2017 – The National Retail Federation today said it supports legislation unveiled by House Republicans to repeal and replace former President Obama’s Affordable Care Act.

“Retailers want reforms that push us toward a more competition-driven private health care market, and the ObamaCare repeal-and-replace bills take us in that direction,” NRF Senior Vice President for Government Relations David French said.

“We believe this reform can be achieved without disturbing the tax treatment of employer-provided benefits, which are the foundation of coverage for more than 175 million Americans,” French said. “Employees are highly sensitive to any change in benefits and younger, healthier workers could choose to drop their coverage altogether rather than pay more taxes. We are pleased that House leadership heard our concerns and that their bills do not disturb this structure. We will work with Congress to repeal all threats to employer-based coverage, including the so-called Cadillac tax on health benefits.”

Retailers oppose proposals to cap the current exclusion from taxable income of employer-provided health benefits, and NRF has been working to educate lawmakers on the consequences of taxing health benefits. While House Republican leadership [proposed capping](#) the exclusion last June, the provision was not included in the legislation released on Monday. NRF nonetheless remains wary that the concept will emerge in other legislation later this year.

NRF supports efforts to repeal ObamaCare’s employer mandate and to provide the individual and small group markets with interim stability.

“Health benefits are highly sought after, even for small start-up businesses, and greater stability will help create a better functioning market,” French said.

Retailers are also pleased with the reform bills’ focus on market-driven changes to benefit offerings. Greater variation in what is offered and freeing up where it can be purchased would help lower costs through greater competition. Enhancements to health savings accounts, greater state flexibility in rating factors and the availability of catastrophic coverage are all important reforms NRF supports.

NRF is the world’s largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation’s largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation’s economy.

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March 9, 2017

The Honorable Paul Ryan (R-WI)
Speaker
U.S. House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady (R-TX)
Chairman
Committee on Ways and Means
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Greg Walden (R-OR)
Chairman
The Energy and Commerce Committee
U.S. House of Representatives
2185 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Ryan and Chairmen Brady and Walden:

The National Business Group on Health (Business Group) writes in support of [your reconciliation legislation](#) that would eliminate the ACA's direct and indirect taxes on employer-sponsored coverage and delay the ACA's excise until 2025. However, our ultimate goal is repeal of the ACA's excise tax in its entirety and [we strongly support the bipartisan effort to enact legislation \(H.R.173 and S.58\)](#). We also applaud the House for not including a cap on employees' income tax exclusion for employer-sponsored benefits, which would raise taxes for many employees.

The National Business Group on Health represents approximately 412, primarily large, employers (including 70 of the Fortune 100) who voluntarily provide affordable health benefits and other health programs to over 55 million American employees, retirees, and their families.

ACA Taxes

The National Business Group on Health believes that any tax that raises the cost of health benefits will harm the more than 150 million Americans who rely on and value employer-sponsored health benefits as a source of stable, affordable coverage and should be eliminated. Therefore, we strongly support the following provisions:

- Delaying the effective date of the 40% excise tax on the value of employer plans above the government-determined amount from 2020 to 2025;
- Eliminating penalties associated with the employer mandate retroactive to 2016;
- Eliminating health industry taxes beginning in 2018; and
- Reinstating the business expense deduction for the value of the federal subsidy to employers for retiree prescription drug costs beginning in 2018.

Health Account Enhancements

Our members strongly support consumer-directed health plans, which encourage employees and their families to be prudent health care consumers and to save for future health care expenses. According to our most recent [NBGH Health Plan Design Survey](#), in 2017 84% of large employers offer a consumer-directed or HSA-qualified health plan. Therefore, we strongly support the following provisions:

- Increasing health savings account (HSA) contributions limits to the out-of-pocket maximums beginning in 2018;
- Repealing the limits on flexible spending account (FSA) contributions;
- Allowing both spouses to make catch-up contributions to the same HSA;
- Allowing for retroactive payment of medical expenses by an HSA for the first 60 days in which an individual is covered by a qualified plan even if the HSA account has not yet been opened; and
- Repealing the ban on the use of health accounts for over-the-counter medications beginning in 2018.

We would encourage Congress to include additional health account improvements from recently introduced legislation ([S.403](#) and [H.R.1175](#)) from your colleagues Senators Orrin Hatch (R-UT) and Marco Rubio (R-FL) and Representative Erik Paulsen (R-MN).

Coverage Expansion

We appreciate that your plan gives those that have gained coverage via Medicaid expansion or the exchanges a longer, smoother transition to alternative sources of coverage after three years. Additionally, we support making tax credits available to those who don't have an offer of employer-sponsored coverage as it mitigates adverse selection issues against employer plans. Through these provisions and other provisions that fund the states to stabilize their individual and small group markets and for safety net providers, we encourage Congress and the states to take actions that reduce number of uninsured.

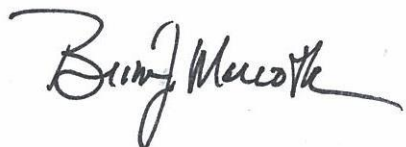
Additionally, as Congress develops funding mechanisms to pay for coverage expansion we urge you to focus on eliminating supply-side drivers of medical inflation and unnecessary costs including:

- Eliminating fee-for-service payment in Medicare, which still predominates;
- Ridding Medicare of perverse financial incentives that pay physicians and hospitals more for more expensive treatments in higher cost settings when less expensive alternatives of the same or better quality are available;
- Increasing the scrutiny of health system consolidations that unduly raise costs;
- Supporting lower-cost alternative sources of primary care (telehealth, nurse practitioners, community-based clinics, etc.); and
- Enacting comprehensive health care legal reform.

The National Business Group on Health appreciates your efforts to eliminate the ACA taxes on employer-sponsored coverage, enhance health accounts and ensure a smooth

transition to alternative sources of coverage. Outside of the reconciliation process, we encourage Congress to pass the legislation to eliminate the ACA's excise tax and enhance health accounts. Please contact Steven Wojcik, the National Business Group on Health's Vice President of Public Policy, at (202) 558-3012, if you would like to discuss our comments in more detail.

Sincerely,

A handwritten signature in black ink, reading "Brian J. Marcotte". The signature is fluid and cursive, with the first name "Brian" and last name "Marcotte" clearly legible.

Brian J. Marcotte
President and CEO

The Honorable Mike Kelly (R-PA)
The Honorable Joe Courtney (D-CT)
The Honorable Dean Heller (R-NV)
The Honorable Martin Heinrich (D-NM)
The Honorable Orrin Hatch (R-UT)
The Honorable Marco Rubio (R-FL)
The Honorable Erik Paulsen (R-MN)



ERIC The ERISA Industry Committee

The Only National Association Advocating Solely for the Employee Benefit and Compensation Interests of America's Largest Employers

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James P. Gelfand, Senior Vice President, Health Policy

March 7, 2017

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan,

The ERISA Industry Committee (ERIC) is pleased to support the advancement of reconciliation measures collectively referred to as the "American Health Care Act" (AHCA), and urges action in the U.S. Senate to include full and permanent repeal of the dangerous 40 percent "Cadillac" excise tax on employer-sponsored health benefits.

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. We advocate for policies that empower employers to offer quality benefits to working families, and help control the costs of health insurance and health care services. We believe AHCA includes a number of provisions that will enhance the ability of employers to offer benefits, reduce taxes that are passed on to health care purchasers and consumers, and prevent cost-shifting by stabilizing the individual markets. Some of the most critical components of the legislation include:

- Repeal of the employer mandate, paving the way for Administrative action to eliminate the costly, pointless, and overly burdensome reporting requirements under ACA sections 6055 and 6056;
- Repeal of numerous taxes that raise the costs of health insurance and health care, such as the taxes on pharmaceuticals, over-the-counter medicines, and limitations on Flexible Spending Accounts (FSAs);
- Expansion of and improvements to Health Savings Accounts (HSAs), especially increasing the annual HSA contribution limit to match the annual maximum out-of-pocket cost;
- Targeted funding and new flexibility for insurance rules in order to stabilize the individual markets; and
- Further delaying the Cadillac tax, with indications from staff that the intention is to fully repeal this toxic tax when the legislation is considered on the Senate floor.

ERIC appreciates House leadership's decision to jettison a provision included in previous drafts to impose a tax on workers that receive health coverage from their employers. That proposal, to implement a cap on the tax exclusion for employer-sponsored insurance, would have serious negative impact on the employer-sponsored health insurance which covers 178 million employees and families. We urge you to promptly complete full and permanent repeal of the Cadillac tax, and ensure that the bill going to the President does not subject employers and employees to taxation.

We applaud your efforts so far, and look forward to working with you to support the enactment of final legislation into law.

Sincerely,

James P. Gelfand
Senior Vice President, Health Policy